

[7 August, 2001]

RAJYA SABHA

**Withdrawal of powers of Director (Investigation) in Income Tax Department**

1794. SHRI A. VIJAYA RAGHAVAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government have since withdrawn the powers of the Director (Investigation) in the Income Tax Department to raid premises even if there are reports and surveys conducted with respect to the business house or the individual;

(b) if so, the reasons therefor;

(c) whether it is also a fact that the Director (Investigation) had this power for decades; and

(d) whether it would be a step backward to fight corruption, decentralization and transparency in the functioning of Income Tax Department?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEEN. RAMACHANDRAN): (a) to (d) The power of Director General of Income Tax (Investigation) or Director of Income Tax (Investigation) to authorize searches in appropriate cases is provided in the statute i.e. Income Tax Act, 1961. This power has not been withdrawn from the Director of Income Tax (Inv.). Instead for exercising this power, which encroaches upon the privacy of an individual or group, with circumspection and due application of mind, administrative instruction has been issued so that the concurrence of the senior-most functionary of the Investigation Wing of the Department viz. Director General of Income Tax (Inv.) is taken before authorizing searches by the Director of Income Tax (Inv.). This would facilitate search action being used as a more effective tool for curbing tax evasion without causing undue harassment to the taxpayers.

**Drug Trade**

1795. SHRI KARNENDU BHATTACHARJEE: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news-item captioned "Drug Trade Exploding Warn Experts" which appeared in the Times of India dated 16th February, 2001;

(b) if so, what is Government's reaction thereto; and

(c) the steps proposed to be taken to address the problems of the impending drug menace as highlighted in the report?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JINGEEN. RAMACHANDRAN):** (a) Yes, Sir.

(b) Drug trafficking is a clandestine activity. The seizure of synthetic drugs in India, as reported by various drug law enforcement agencies, do not indicate an overall increasing trend. However, the smuggling of drugs into India from Myanmar although on a very small scale has registered a slight increase during the last three years.

(c) Government of India has already taken a number of significant steps to prevent and put effective check on drug trafficking. These include instructions to all drug enforcement agencies to maintain utmost vigil and step up enforcement efforts, training to officers, fencing of Indo-Pak border provided with flood lighting, vesting of powers in BSF and Coast Guards under the Customs Act, notifying certain precursor chemicals viz. Acetic Anhydride, Ephedrine etc. as 'Controlled Substances' under the NDPS Act, quarterly coordination meetings by NCB, signing of a bilateral agreement with Pakistan to hold periodic meetings at Secretary level and Director General level, holding of quarterly cross-border meetings of Indian and Pakistani anti-narcotics agencies as a part of the border meetings of BSF and Pak Rangers, signing of a bilateral agreement with Myanmar, holding of operational level meetings with Myanmar officials and providing two sniffer dogs to Myanmar and training dog handlers of Myanmar.

#### **Improvement in the financial condition of IFCI**

**1796. SHRI RAVI SHANKAR PRASAD:** Will the Minister of FINANCE be pleased to state:

(a) whether a meeting of major share holders of Industrial Finance Corporation of India was recently convened by Finance Secretary to discuss the way out for improving finance health of the IFCI; and

(b) if so, what measures were sorted out to improve the finance of the IFCI?